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HOUSE BILL 3082

State of Washington 58th Legislature 2004 Regular Session

By Representatives Wallace, Morrell, Veloria, Chase, Upthegrove and O'Brien

Read first time 01/27/2004. Referred to Committee on Trade & Economic Development.

- 1 AN ACT Relating to resolving manufactured/mobile home landlord and
- 2 tenant disputes; amending RCW 59.22.050; adding a new chapter to Title
- 3 59 RCW; prescribing penalties; and providing effective dates.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 NEW SECTION. **Sec. 1.** (1) The legislature finds that:
- (a) Taking legal action against a landlord or tenant for violations of the manufactured/mobile home landlord-tenant act can be a costly and lengthy process, and that many people cannot afford to pursue this process; and
- 10 (b) There are factors unique to the relationship between a 11 manufactured/mobile homeowner and a manufactured/mobile home park
- 12 owner. The difficulty and expense in moving and relocating a
- 13 manufactured/mobile home can affect the operation of market forces, and
- 14 lead to an inequality of the bargaining position of the parties.
- 15 Because of these factors, there exists inherently substantial
- 16 differences in the relationship that distinguish it from other
- 17 landlord-tenant relationships.
- 18 (2) Therefore, it is the intent of the legislature to provide a
- 19 less costly and lengthy way for manufactured/mobile home landlords and

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- 1 tenants to resolve disputes, and to provide a mechanism for state
- 2 authorities to quickly locate owners of manufactured housing
- 3 communities. The legislature further intends to authorize the
- 4 department of licensing to register mobile home parks or manufactured
- 5 housing communities, conduct investigations, issue citations, and
- 6 impose fines for violations of the manufactured/mobile home landlord-
- 7 tenant act.

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- 8 <u>NEW SECTION.</u> **Sec. 2.** The definitions in this section apply throughout this chapter unless the context requires otherwise.
 - (1) "Department" means the department of licensing.
- 11 (2) "Director" means the director of the department of licensing.
- 12 (3) "Mobile home park" or "manufactured housing community" means 13 any real property that is rented or held out for rent to others for the 14 placement of two or more mobile homes, manufactured homes, or park 15 models for the primary purpose of production of income, except when the 16 real property is rented or held out for rent for seasonal recreational 17 purposes only and is not intended for year-round occupancy.
- 18 (4) "Landlord" means the owner of a mobile home park and includes 19 the agents of a landlord.
- 20 (5) "Tenant" means any person, except a transient, who rents a 21 mobile home lot.
- NEW SECTION. **Sec. 3.** (1) Prior to notifying the department of an alleged violation of chapter 59.20 RCW, the complaining party must provide written notice to the opposing party as provided for under RCW 59.20.150. If the complaint is not remedied within a reasonable amount of time under RCW 59.20.200, the complaining party may then ask the department to investigate the alleged violation.
- 28 (2) Upon receiving complaints alleging violations of chapter 59.20 29 RCW by either landlords or tenants, the department may investigate the 30 alleged violations and issue citations.
- 31 (3) If after an investigation the department finds a violation of 32 chapter 59.20 RCW, the department may deliver a citation to the 33 landlord or tenant who has committed the violation either by certified 34 mail or in person. The citation must specify the violation, the 35 corrective action to be taken, the time within which the corrective

action must be taken, the penalties that will result if corrective action is not taken within the specified time period, and the process for contesting the citation.

- (4) Citations for all violations may be contested through an administrative hearing under chapter 34.05 RCW. The director may appoint a presiding officer or authorize the office of administrative hearings as provided in chapter 34.12 RCW to conduct hearings. If the director decides, after a hearing under this subsection, that the evidence supports the accusation by a preponderance of evidence, the director shall enter an order to that effect and shall file the order in his or her office and immediately mail a copy to the affected party. The affected party may appeal the director's decision as provided in chapter 34.05 RCW.
- (a) In order to obtain a hearing a landlord or tenant must, within fifteen days of receiving a citation from the department, request a hearing. If a hearing is not requested within this time period, the citation constitutes a final order of the department and is not subject to review by any court or agency.
- (b) For violations deemed by the department to be imminently hazardous to life, the department shall follow procedures for emergency adjudicative proceedings as provided in RCW 34.05.479.
- (5) For violations that are imminently hazardous to life, corrective action must take place within twenty-four hours of the receipt of the department's citation. For all other violations, corrective action must take place within twenty days of the receipt of the department's citation.
- (6) If a landlord or tenant fails to take corrective action within the required time period and the department has not received a timely request for an administrative hearing, the department may impose a fine of up to five thousand dollars per violation, for every day that the violation remains uncorrected. The department shall establish written guidelines for issuing fines. The department must consider aggravating or mitigating circumstances in assessing any fine.
- (7) Upon application by a landlord or tenant showing that a good faith effort to comply with the corrective action requirements of the citation has been made and that the corrective action has not been completed because of factors beyond the landlord's or tenant's control,

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the department may extend the time period in which corrective action must be taken before fines are imposed.

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- (8) When payment of a fine is required as a result of a landlord or tenant not complying with corrective action requirements and timely payment is not made as directed in the final order of the director, the director may enforce the order for payment in the superior court in the county in which the mobile home park/manufactured housing community is located. In any action for enforcement of an order for payment of a fine, the director's order is conclusive proof of the validity of the order of a fine and the terms of payment.
- (9) The office may issue an order requiring the mobile home park/manufactured housing community owner, or its assignee or agent, to cease and desist from an unlawful practice and take those affirmative actions that in the judgment of the office will carry out the purposes of this chapter. The affirmative actions may include the following:
- 16 (a) Refunds of rent increases, improper fees, charges, and 17 assessments collected in violation of this chapter;
- 18 (b) Filing and utilization of documents that correct a statutory or 19 rule violation; and
- 20 (c) Reasonable action necessary to correct a statutory or rule violation.
- (10) This section does not limit the right of landlords or tenants to take legal action against another party as provided in chapter 59.20 RCW.

25 <u>NEW SECTION.</u> **Sec. 4.** The department has the power to:

- (1) Issue subpoenas and administer oaths in connection with any investigation, hearing, or proceeding held under this chapter;
- 28 (2) Take or cause depositions to be taken and use other discovery 29 procedures as needed in an investigation, hearing, or proceeding held 30 under this chapter;
 - (3) Compel attendance of witnesses at hearings;
- 32 (4) Designate individuals authorized to sign subpoenas and 33 citations; and
- 34 (5) Employ investigative, administrative, and clerical staff as 35 necessary for enforcement of this chapter.

- NEW SECTION. Sec. 5. The director or individuals acting on the director's behalf are immune from suit in any action, civil or criminal, based upon any disciplinary actions or other official acts performed in the course of their duties under this chapter.
- 5 <u>NEW SECTION.</u> **Sec. 6.** (1) Landlords and tenants shall cooperate with the department in the course of an investigation by:
 - (a) Furnishing any papers or documents requested;

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- 8 (b) Furnishing in writing an explanation covering the matter 9 contained in a complaint when requested by the department;
- 10 (c) Allowing authorized access to department representatives for 11 inspection of mobile home parks/manufactured housing community 12 facilities relevant to the alleged violation being investigated; or
 - (d) Responding to subpoenas issued by the department.
- 14 (2) Failure to cooperate with the department in the course of an investigation is a violation of this chapter.
- NEW SECTION. Sec. 7. (1) All mobile home parks and manufactured housing communities must be registered with the department.
- 18 (2) To apply for registration, the owner of a mobile home 19 park/manufactured housing community must file with the department an 20 application for registration on a form prescribed by the department. 21 The department may adopt rules to prescribe the contents of the 22 application. The application must include, but is not limited to:
- 23 (a) The name and address of the mobile home park/manufactured 24 housing community owner;
- 25 (b) The name and address of the mobile home park/manufactured 26 housing community manager; and
- 27 (c) The number of lots within the mobile home park/manufactured 28 housing community that are subject to chapter 59.20 RCW.
- 29 (3) Certificates of registration are effective on the date issued 30 by the department. The department shall assign an expiration date and 31 the registration must be renewed annually.
- 32 <u>NEW SECTION.</u> **Sec. 8.** By July 1, 2005, the department must:
- 33 (1) Compile the most accurate list possible of all the mobile home 34 park/manufactured housing communities in the state, the number of lots 35 subject to chapter 59.20 RCW located in each mobile home

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park/manufactured housing community, and the names and addresses of the owners of these parks. The department is encouraged to work with groups including, but not limited to: The office of community development, mobile home owners' associations, tenant advocacy groups, park owners' associations, and county assessors to generate the list;

- (2) Send out notifications to all known mobile home park/manufactured housing community owners that the first annual fees pursuant to section 10 of this act are due. These notifications must include information about late fees, liens, and passing costs on to tenants; and
- 11 (3) Collect the first annual fees due from all mobile home 12 park/manufactured housing community owners, and allow ninety days to 13 pass during which late fees and lien notices are sent to noncomplying 14 mobile home park owners as provided in this chapter.
 - NEW SECTION. Sec. 9. By January 1, 2006, the department must have properly trained employees in place to administer this chapter. The department is encouraged to work with persons who have knowledge of manufactured/mobile home landlord-tenant disputes to properly train its employees to implement this chapter. These knowledgeable persons may be employees of the office of community development or employees of other states' manufactured housing divisions, when those states have a similar model of manufactured/mobile home landlord-tenant dispute resolution.
 - NEW SECTION. Sec. 10. (1) Each owner of a mobile home park/manufactured housing community shall pay to the department an annual registration fee to fund the costs associated with administering this chapter. The fee must be determined annually by the department, and may not exceed ten dollars for each lot within a park that is subject to chapter 59.20 RCW. Mobile home park/manufactured housing community owners may pass on no more than one-half the cost of this fee to tenants. The first annual fees must be collected by July 1, 2005.
 - (2) If an owner fails to pay the annual fee before the registration expiration date, a penalty fee as determined by the director by rule shall be assessed. The owner is not entitled to any reimbursement of this penalty from his or her tenants.

(3) If an owner fails to pay the required fees within ninety days of the registration expiration date, the amount due under this section becomes a lien in favor of the state upon the owner's property. The lien is superior to all other liens and encumbrances except general taxes and local and special assessments, and bears interest computed monthly and compounded annually at a rate of eight percent.

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(4) The department may adopt fees by rule to cover the costs of administering this chapter in addition to the annual registration fees in this section.

NEW SECTION. Sec. 11. The manufactured/mobile home investigations 10 11 account is created in the custody of the state treasurer. All receipts 12 from the imposition of fines for violations of chapter 59.20 RCW and the fees collected under sections 3 and 10 of this act must be 13 deposited into the account. Expenditures from the account may be used 14 only for the costs associated with administering this chapter. Only 15 16 the director or the director's designee may authorize expenditures from 17 The account is subject to allotment procedures under the account. an appropriation is not required for 18 chapter 43.88 RCW, but 19 expenditures.

- 20 **Sec. 12.** RCW 59.22.050 and 1991 c 327 s 3 are each amended to read 21 as follows:
 - (1) In order to provide general assistance to mobile home resident organizations, park owners, and landlords and tenants, the department shall establish an office of mobile home affairs which will serve as the coordinating office within state government for matters relating to mobile homes or manufactured housing.

This office will ((provide an ombudsman service to mobile home park owners and mobile home tenants with respect to problems and disputes between park owners and park residents and to)) provide technical assistance to resident organizations or persons in the process of forming a resident organization pursuant to chapter 59.22 RCW. The office will keep records of its activities in this area.

(2) The office shall perform all the consumer complaint and related functions of the state administrative agency that are required for purposes of complying with the regulations established by the federal

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- 1 department of housing and urban development for manufactured housing,
- 2 including the preparation and submission of the state administrative
- 3 plan.
- 4 (3) The office shall administer the mobile home relocation
- 5 assistance program established in chapter 59.21 RCW, including
- 6 verifying the eligibility of tenants for relocation assistance.
- 7 NEW SECTION. Sec. 13. Sections 1, 2, 4 through 6, and 8 through
- 8 11 of this act take effect August 1, 2004. Sections 3, 7, and 12 of
- 9 this act take effect January 1, 2006.
- 10 <u>NEW SECTION.</u> **Sec. 14.** Sections 1 through 11 of this act
- 11 constitute a new chapter in Title 59 RCW.

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